

1 THE HONORABLE JOHN C. COUGHENOUR  
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7 UNITED STATES DISTRICT COURT  
8 WESTERN DISTRICT OF WASHINGTON  
9 AT SEATTLE

10 AHERN RENTALS INC.,

CASE NO. C20-0542-JCC

11 Plaintiff,

ORDER

v.

12 TRAVIS MENDENHALL, an individual, and  
13 EQUIPMENTSHARE.COM, INC., a Delaware  
corporation,

14 Defendants.

15  
16 This matter comes before the Court on Defendant EquipmentShare.com, Inc.'s motion to  
17 stay discovery (Dkt. No. 30). Having thoroughly considered the parties' briefing and the relevant  
18 record, the Court hereby GRANTS the motion for the reasons explained herein.

19 **I. BACKGROUND**

20 On March 30, 2020, Plaintiff filed this suit in state court, and Defendant EquipmentShare  
21 removed the case to the Court on April 8, 2020. (Dkt. No. 1.) Plaintiff alleges that Defendant  
22 Travis Mendenhall, Plaintiff's former employee, misappropriated unspecified trade secrets and  
23 that EquipmentShare, Mendenhall's new employer, encouraged such activity. (See Dkt. No. 1-1  
24 at 13.) Plaintiff claims EquipmentShare is liable for trade secret misappropriation, tortious  
25 interference with contract, and tortious interference with business expenses. (*Id.* at 11-13.)

26 When this lawsuit was filed, Plaintiff had already filed six similar lawsuits against

1 EquipmentShare in other courts. (Dkt. No. 30 at 4). Plaintiff has filed four additional lawsuits  
 2 against EquipmentShare since this suit commenced. (*See* Dkt. No. 31.) These 11 suits all allege  
 3 that EquipmentShare conspired with Plaintiff's former employees to target Plaintiff's customers  
 4 and all allege identical claims against EquipmentShare. (*Id.*)

5 Plaintiff has served discovery requests in each of these cases, requesting the same  
 6 documents, information, and witnesses for deposition. (*Id.* at 3.) On May 6, 2020, Defendant  
 7 petitioned the United States Judicial Panel on Multidistrict Litigation ("JPML") to consolidate  
 8 and transfer all these related cases to the District of Nevada. (*Id.* at 4.) The parties have discussed  
 9 Plaintiff's discovery requests; when they were unable to reach a resolution which included a stay  
 10 of discovery, Plaintiff filed a motion to compel discovery. (*See* Dkt. No. 27.) Defendant now  
 11 moves to stay discovery. (Dkt. No. 30.)

12 **II. DISCUSSION**

13 **A. Legal Standard**

14 District courts have broad discretion in determining whether to allow a stay of discovery  
 15 pending the resolution of potentially dispositive motions. *Jarvis v. Regan*, 833 F.2d 149, 155 (9th  
 16 Cir. 1987); *see Little v. City of Seattle*, 863.F2d 681, 685 (9th Cir. 1988). A court applies a two-  
 17 part test when deciding whether to grant a stay of discovery based on a pending dispositive  
 18 motion. First, the pending motion must be potentially dispositive of the entire case, or at least on  
 19 the issue to which discovery is directed. Second, the court must determine if the pending  
 20 dispositive motion can be decided without additional discovery. *Panola Land Buyer's Ass'n v.*  
 21 *Shuman*, 762 F.2d 1550, 1560 (11th Cir. 1985); *see Lowery v. F.A.A.*, 1994 WL 912632, slip op.  
 22 at 3 (E.D. Cal. 1994); *Scroggins v. Air Cargo, Inc.*, 534 F.2d 1124, 1133 (5th Cir. 1976). A stay  
 23 of discovery may also be proper if the discovery sought is irrelevant to the dispositive motion  
 24 before the court. *See Todd v. City of Aberdeen*, Case No. C09-1232-JCC, Dkt. No. 96 at 3–4  
 25 (W.D. Wash. 2009).

26 In addition, a challenge to venue is a "common example" of a situation warranting a stay

1 of discovery. *Twin City Fire Ins. Co. v. Employers Ins. Of Wausau*, 124 F.R.D. 652, 653 (D.  
2 Nev. 1989). EquipmentShare's petition to the JPML to consolidate this case and be tried in the  
3 District of Nevada is such a challenge of venue warranting a stay of discovery. And in  
4 determining whether to issue a stay of discovery a court considers several factors, including "the  
5 risk of unfair prejudice to the party opposing the stay" and the conservation of the court's  
6 resources. *Bethpage Water Dist. v. Northrop Grumman Corp.*, 2014 WL 6883529, slip op. at 2  
7 (E.D. N.Y. 2014); *Coastal States Gas Corp. v. Department of Energy*, 84 F.R.D. 278, 282 (D.  
8 Del. 1979) ("A stay of discovery pending the determination of a dispositive motion is an  
9 eminently logical means to prevent wasting the time and effort of all concerned, and to make the  
10 most efficient use of judicial resources.").

11           **B.     EquipmentShare's Motion to Stay Discovery**

12           EquipmentShare has shown good cause for the Court to grant its motion to stay  
13 discovery. Defendants' motions to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6),  
14 (Dkt. Nos. 29, 32), are potentially dispositive of the action and can be decided without further  
15 discovery. *See Jarvis*, 833 F.2d at 155. Therefore, Defendants' pending motions to dismiss alone  
16 warrant a stay of discovery in this case.

17           EquipmentShare's request to transfer this case to the District of Nevada further supports a  
18 stay of discovery. *See Twin City Fire*, 124 F.R.D at 653. EquipmentShare requests the stay since  
19 it has asked the JPML to transfer and consolidate the 11 related actions Plaintiff has filed against  
20 it to avoid duplicative litigation and discovery efforts. (Dkt. No. 30 at 6). Moreover, Plaintiff has  
21 requested the same information in each of the 11 cases; absent a stay of discovery, Plaintiff may  
22 evade any unfavorable discovery ruling issued by another court by seeking the same relief before  
23 this Court.

24           Furthermore, a stay in discovery will not prejudice Plaintiff. *See Bethpage Water Dist.*,  
25 2014 WL 6883529, slip op. at 2. Plaintiff has 11 nearly identical suits in different forums, each  
26 seeking discovery of the same information. Should Defendant's petition to the JPML be granted,

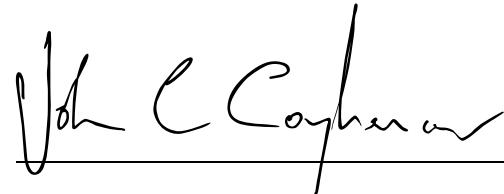
1 the cases will be consolidated and transferred to a single venue. It is thus proper to stay discovery  
2 pending the JPML decision, so as to conserve judicial resources by limiting unnecessary  
3 discovery and motions practices lest the cases be consolidated. *See Coastal States Gas Corp.*, 84  
4 F.R.D. at 282

5 **III. CONCLUSION**

6 For the foregoing reasons, Defendant's motion to stay discovery (Dkt. No. 30) is  
7 GRANTED. Discovery is hereby STAYED until further order of the Court. The parties are  
8 DIRECTED to file a joint status report apprising the Court of the JPML's decision and the  
9 necessity for continuing the stay no later than seven days from the date the JPML's decision is  
10 issued.

11 DATED this 9th day of July 2020.

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John C. Coughenour  
UNITED STATES DISTRICT JUDGE